

# Reigniting the Regional Proposition

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A conference hosted by the

Centre for Newfoundland and Labrador Studies

and

The School of Business

of

Waterford Institute of Technology



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## Executive Summary

The purpose of the conference was to establish a policy framework, and an action set which would help secure economic and social outcomes for the South East. Presenters, facilitators and participants were drawn from the public sector and the private sector in the South East of Ireland and Newfoundland, and included indigenous businesses, ESRI, local authorities, development agencies, credit unions, academics, researchers, government departments and community groups. The conference involved formal presentations, workshops, feedback and a plenary review session.

The principal findings from the conference were as follows:

- An **inventory of capacities**, resources and competences is required locally and regionally. This includes networks, physical resources and intellectual capital. This inventory represents the resource base from which enterprise springs and is sustained.

- An **examination of the interactions** between private sector and public sector agents which would lead to refinement and recasting of these interactions consistent with development goals. This includes the infrastructure for economic development, the supports provided for development activity, and the linkages made for nascent economic entities coming from enterprise programs, originating independently from within the private sector and from collective initiatives within the wider society. There is a groundswell of feeling that continuation of current engagements alone will not be sufficient to provide the level of renewal and growth that the country needs.

A **set of indicators** is required to assess progress on innovation and economic activity. These need to be refined over time and they should serve as basis for learning and diagnosis and not just as a measure of achievement. There should be some concentration on improving indicator scores in order to consider whether the underlying process are effective with respect to development goals and to gauge what effort is needed to make meaningful progress towards those goals.

- Greater responsibility should be assumed for **increasing the attractiveness of the South East** by actors and agencies in the South East. Collectively we should examine those enablers and constraints that affect enterprise and seek to strengthen or tackle them in a more purposeful fashion. Such action is required equally with respect to indigenous enterprise as it is for inward investment.

- Indigenous businesses need to look to **new ways of interacting with the market** such as through designing and activating new value chains, new distribution channels, and new cooperative

marketing ventures. This process innovation has potential to match more conventional product innovation and reflects the patterns of growth in service aspects of economic activity across the OECD.

- **Imbuing our youth with a greater sense of their potential for innovation** is an imperative for the education system. This will involve delivering opportunities for skill development (critical thinking, technical expertise, creativity), skill practice (opportunities for rehearsing project development involving these skills), and enthusiasm (provision of example, leadership and encouragement by those close to them in the community and in the learning environment).

The next step is to invite the stakeholders for this conference to reflect on this report and to participate in a workshop hosted by WIT which would identify those actions and actors who will join in a collective endeavour to pursue regional development goals. An effective process would require planning, commitment, resources, reporting, rededication and realignment.

The report is disseminated to participating individuals/organisations and other stakeholders, locally and nationally.

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## **Conference Opening**

### **Participants**

Mayor Mary Roche, Waterford City Council

Mayor Denis O’Keefe, St John’s City Council

Prof Kieran Byrne President, Waterford Institute of Technology

Ms Susanne Cormie, Senior Trade Commissioner Canadian Embassy

### **Key messages**

The link between Waterford and St John’s is a deep and well cherished one. Its roots lie in people, trade and culture. It has assumed modern dimensions while retaining its historical richness. The Canadian Government values these links and is committed to sustaining them. While the economic environment is challenging, there is no recession in the conceptual work undertaken in education nor in the engagement with and dissemination to the wider community that educators serve. Links between the agencies sand authorities in the respective regions can yield insights to opportunities, to structural models, to modes of behaviour, to resource application and to potential outcomes.

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## Central Messages

South East Ireland faces a challenging level of performance on a range of social and economic indicators. Current trends will continue unless there are decisive initiatives and efforts to alter existing patterns. This will require actions beyond any one community and any one agency. It also requires that individual communities face up to the responsibility to act with respect to those things that are within their remit and capability. See what you can do and do what you can.

There is a data deficit on social capital and on innovation activity in the Region. A template is required immediately to plug the social capital data gap so that the policy makers and on the ground actors/activists understand what they have to work with in terms of resources. Secondly, some surrogate measures are needed for innovation so that a set of indicators will be adopted as a basis for measuring progress and determining the relative success of policy interventions. This means we need to locate ourselves in some innovation space, have a view as to a cause and effect model that would predict improvements if activated, activate them and monitor and learn from performance. Without this synthesis, the wider community in the region will not be well served by those provided with resources from the Exchequer for this purpose. Economic interventions without direction, an evidence base or robust conceptual design cannot be tolerated in the current environment.

Successful business models evident among small businesses draw on local resources, use technology, have several revenue streams, use geography and positioning to good effect, connect with similar businesses, and embrace a high degree of quality. They show awareness of the distinct market segments they serve and they innovate across products, service and process. They learn continually regarding their businesses. New start-up firms are organic and evolutionary in their development and the direction and pace depends on the ability of the promoters to adapt quickly to opportunities and challenges. More sharing of these types of stories would help encourage the flow of new businesses, deepen the cultural roots of trading activity, promote the transmission of the values of trade, command attention from our youth on trade and commerce and affirm those who are engaged in such businesses. Small business activity runs in parallel to larger firms and they connect through trade which is hard and visible and through networks which are can be soft and invisible. Small business is the only economic route available for communities outside the larger urban centres, as inward investment is unlikely to put down roots there.

Business promoters challenge themselves to achieve more. They understand that different approaches are relevant for retail markets and for selling to other businesses. Maintaining awareness of your business is critical and has to be resourced accordingly. This involves promotional

expenditure, trade shows, innovation, enterprise competitions and generally putting yourself about where it matters. Promoters who enjoy their business have the motivation to give the commitment it commands and are interested in technical advances which can be absorbed by the business.

Regional development in Newfoundland and Labrador now occurs in a favourable provincial economic context, driven largely by natural resources. It represents a joint endeavour between federal and provincial resource allocation. At provincial level, responsibility for generating economic activity is split between two government departments respectively focused on inward investment and domestic business development. In Ireland one department does this (DETE) and it uses two agencies: the IDA and EI as the analogous instruments. The province is divided into 20 economic zones and each zone has a dedicated development board and executive focused on capacity building and strategic planning in the geographical area. Grant aid and investment comes through a federal agency, ACOA, and it has responsibility for Atlantic Canada. This can be complemented by provincial finance and a local contribution either from local government or the local community is also necessary. Some priority areas include advanced manufacturing, tourism, secondary fish processing, ocean technology, ICT, and environmental industries.

The future relationship between Ireland and Newfoundland/Labrador is likely to depend on combinations of exchanges of mutual benefit between national and provincial government, local authorities/government, enterprise agencies, community and cultural groups, and educational institutions. The content of these sets of exchanges will require benefits that have a meaningful impact on the lives and activities of people in the respective jurisdictions.

Leadership has to come from new quarters than heretofore: top down proposals from existing discredited sources will not be sufficient. Some new or reengineered economic development mechanisms and agencies are needed. We are in a different situation now from the Famine of the 1840s, the Economic War of the 1930s, the Post War Depression of the 1950s or the Oil Crisis of the 1970s. We have infrastructure, we have markets, we have firms which compete globally, we have an educated population, we are members of the largest economic community (by value) in the world and we have the capacity to adapt. We owe it to ourselves, our children and our neighbours to think through what is necessary to devise changes, to adopt them, and pursue them with energy and focus. Our international friends encourage us in our efforts without being blind to the challenges.

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## **Workshop Themes and contributions**

### **The Entrepreneurship workshop**

#### **Facilitated by Ms Louise Grubb (Nutri-Science Ltd)**

- The businesses studied had in common a strong technical competence but lacked business expertise
  - o Necessary to bridge this gap in order to accelerate the learning curve and achieve faster growth
  - o Need to influence the quality and suitability of available mentors. Possibly make more use of successful entrepreneurs
- Internal growth strategy most common
  - o Require local support to achieve growth
  - o Example given of developing the 'farmers market' concept (urban support for rural activities)
- Encourage entrepreneurship in second level education
  - o National/Regional Young Entrepreneur Competition
  - o Look at the NL Student programme where students are active in businesses/education/community

### **The Economic Workshop**

#### **Facilitated by Dr Senan Cooke (Dunhill Community Enterprises)**

This workshop addressed three issues:

- i. Engaging the community with the state agencies
- ii. Leveraging resources and competences within the community
- iii. Identifying markets for commercial focus

#### **(i) Community – State Agency Engagement**

The community is viewed in terms of the collection of individuals, businesses, social organisations and agencies within the region. This is an inclusive and holistic perspective.

We need to recognise the values, skills and capabilities latent and embedded in the community.

There is scope for each community to do a stock take / audit on these properties. What is the inventory of social and human capital?

Is there scope for leveraging the relationship with Newfoundland to harness some advantage from the mega projects there – contracts, work placements, internships?

We should engage more with Failte Ireland regarding the Ireland Newfoundland Festival and with St John's.

Accord Community enterprise a higher status than it is given currently by State agencies in terms of attention, support, budget etc. This means a more bottoms approach with the Agencies acting on behalf of the people and not just on a behalf of an elite that has not delivered and has damaged the economic fabric of the State.

Move beyond schemes and pilots to real commitment to community projects with economic and social substance.

The Regional Authority may be able to act as an umbrella for a regional initiative and if not that body some other one must be found to act as the pipeline, the driver, and the power source.

The Agencies collectively need to demonstrate that they are fit for purpose for the economic and social challenges facing the region.

Immediate proposals are required.

A self examination is required within the agencies and within communities (*Look in the Mirror*)

Should generate positive stories to act as benchmarks and provide insights to pathways for others.

The community itself has to develop in how it frames, articulates, assess, prioritises and enacts programmes that have socioeconomic outcomes.

Clustering can contribute to a snowball effect and this means greater sharing even with what might appear to be competitors superficially.

## **(ii) Opportunities**

Need to initiate a program on assessing competences, generating actionable ideas and adopting measurable pathways for innovation.

Need to change the culture on innovation and entrepreneurship.

Consider whether trade as a term might be better than enterprise in many contexts. Has it worked for Ireland in stimulating it?



Attitudes to business failure need to be challenged though a simplistic view of waiving debts and burning the capital of others is hardly acceptable either.

Engagement of Schools and educational process with markets needs attention and effort. Existing value of junior achievement was recognised but it remains a tightly defined activity and more pervasive initiatives are needed.

More creative perspectives are required on the potential within the Region's assets: geographical, demographic, educational, sporting, linguistic, climatic, geological, historical, industrial, technological, political, commercial, etc.

Examples : how can we leverage the Patent Office, The Land Registry, Teagasc, Hospitals, Institutes of Technology and what obstacles can be removed to make more opportunities feasible?

### **(iii) Market identification**

Local markets exist as a first step.

Import substitution in selected sectors where we should have a natural and competitive advantage e.g. craft, tourism, food, light engineering, out of patent pharmaceuticals etc.

Need to adopt *a better than* mentality than a *twill do* mindset in terms of delivering to the markets

The local communities and the Irish diaspora should be considered. The coming home festivals in Newfoundland are relevant here. Diaspora in Europe needs to be considered e.g. St Fiachra is honoured in a variety of communities in France, St Carthage is honoured in Italy, Cadiz in Spain had an Irish community.

Consider the family surnames represented in the South East and whether themed reunions would be feasible.

A hierarchy of markets exists: Local, Regional, National, UK/USA, EU, Rest of the World (ROTW)

Some examples of types of offerings: IT, Renewables, Green Energy, Animation, Broadcasting

Could consider all the professional disciplines represented in the region and seek to host events which would bring professionals nationally and internationally to the region.

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## **The Network Workshop**

### **Facilitated by Dr Felicity Kelliher, (DBA Program director, WIT)**

Transmitting enthusiasm among network participants will promote self confidence and a belief in tackling problems.

Knowing each other (Irish firms, Irish stakeholders and Newfoundland firms, Newfoundland stakeholders provides insights to how problems can be framed

Sharing experiences in generating economic activity in urban areas in Waterford, Wexford, Kilkenny, and Clonmel and in rural areas e.g. those associated with the Dunhill Enterprise Centre can speed up development initiatives through avoiding pitfalls and providing outline of successful routes.

Demonstrating a long term commitment collaboration means stakeholders are more likely to invest resources – a purely tactical approach leads to a transactional and instrumental set of exchanges e.g. how can I use you.

Geography both regionally and between Ireland Newfoundland means that a Virtual Learning network that is technology enabled becomes essential. Having pressed the flesh, seen the colour of the eyes of the other, and bonded, then technology should enable further meaningful interactions

The unit of engagement both within the south East and Newfoundland between them needs consideration. Possibilities include existing organisations either of a permanent or an ad hoc nature: e.g. existing festival, local authorities, specified community groups, new special development vehicles which as yet do not exist.

Self Help and Mutuality/Reciprocity will be central to economic development, self interest and separating others from their money has been tried and found wanting.

Some immediate value added is needed from collaboration. Defining, scoping, pursuing, measuring, reporting and disseminating this need attention.

Have to recognise the reality of the competitive nature of business and the desire to avoid telling secrets / sharing the mother lode.

The key people for promoting collaboration may be both inside and outside the formal educational system.

Learners could be given the opportunity to develop entrepreneurial skills outside the normal curriculum. This would enable a learner to develop confidence in making judgements and in handling risk.

Opportunities for challenging a system, whatever that is in a particular context, again would benefit students.

While change is inevitable, progress is optional.

Realism is needed regarding the range of interactions possible between Newfoundland & Labrador (Pop. 0.5m) and Ireland (Pop 4.6m). Resource allocation is predicated on results deemed significant enough to warrant continued effort and support.

Study and Learning tourism which integrate visitors with their host communities offers a platform for a variety of economic exchanges that affirms the hosts and gives meaning and value to the receiving visitor.

Harnessing regional and rural assets/knowledge can contribute to conquering current adversity and engender *esprit de corps* among the people

A human asset assessment is needed by community: what capital in terms of educational, network, experience etc exists within a community unit that can be accessed in stimulating economic: what is within the team(s)?

The identification of champions either as leaders, as exemplars, as seers, as prophets etc would also help. Not everyone can fill this role or wants to but those that have the requisite qualities need to be brought to the fore now.

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## **Plenary sessions**

### **The Workshop Plenary**

Dr William O’Gorman chaired session at which each of the facilitators fed back the principal themes that emerged from the individual workshops. He also posed a question to the participants whether the issues raised in the workshops were new or if they could be expressed with equal validity 10 years ago or 10 years hence? This reflects a number of possible conclusions. There are certain policy challenges that remain constant. There is a need for ownership of those challenges and acceptance of responsibility for addressing them. Progress requires to be calibrated with respect to a set of indicators. While the core challenge may remain the same, it is desirable that their manifestation and stage of development should demonstrate degrees of maturation as progress is achieved in addressing them.

### **The Conference Plenary**

Mr John Maher chaired the concluding Panel discussion which drew on contributions from Mr Lar Power, Waterford City Council, Mr Con Traas, The Apple Farm, Dr Edgar Morgenroth, ESRI, Mr Ger Kirwan, Goatsbridge Trout Farm, and Dr Wayne King, Memorial University of Newfoundland. The panel in conjunction with the attendance examined the three interventions that they believed would assist the region in reigniting its proposition and also how would one could scope or describe that proposition in three to five years time? Matters that were discussed included redeploying and reconfiguring resources, defining a route map with inherent flexibility, establishing some benchmarks, acting with greater self reliance while also aligning local and regional efforts with national and European policy as well as with emerging global patterns. The proposition will be defined by geography, demography, connectivity, culture, imagination and diligence. It will involve having the maturity to make choices between alternatives within stated decision parameters that are transparent in their determination and thus can enjoy sustained and sufficient societal and enterprise support. The dialogue and the narrative about the proposition is an integral part of this evolution and must be conducted with respect and integrity. More is needed now. Good coupling between who asks, how effort is asked for and the frame of the goals, will have a major bearing on whether the proposition will be ignited sufficiently and really catch fire in the hearts and minds of the population. While others may help, and they are likely to do so if the story and the reality are worthy, it will be down to us to render it so.

**Possible future interactions between South East and Newfoundland/Labrador**

<b>Irish Partner</b>	<b>Newfoundland &amp; Labrador</b>	<b>Examples of areas for action</b>
WIT / Carlow IT	MUN,  College of the North Atlantic	Student exchanges, Staff Exchanges, Course Development, Research projects, Organisational policies and Procedures ( <i>software</i> ), Governance.
Primary schools	Primary schools	Governance, Student exchanges, curriculum exchanges
Local authorities  Local State Agencies  Regional authority	Community authorities and councils  Provincial Government	Waste Management Models  Harbour Development Models  Tourism Development Models  Staff development  Graduate internships
Community Enterprise Centres  Enterprise Boards,  Leader Companies	Area Development Boards	Enterprise skill development,  Financing templates
Individual Businesses	Individual businesses	Technology Exchange e.g. licensing  Staff exchanges  Internships ( staff/ graduates)  Services on a Technology platform  Distribution to nearby land mass (UK /Europe or Canada/USA)  Niche supply of Tangible Goods
Individual Communities	Individual Communities	Networking Models  Cultural Exchanges

## Conference Origin and Design

The conference arose from discussions held by Dr Sean Cooke, Ms Agnes Aylward, Mr Niall Wall and Mr John Maher at Waterford Institute of Technology in Spring 2010. The initial concept was to host an event with an economic focus that could contribute to regional development in a very practical way and be informed by the current position of the region with respect to some key parameters. The timing of conference within the Ireland Newfoundland Festival was intended to underline a shift in the focus of this event, given the state of the Irish economy and the challenges it poses for the South East.

The Business School under the leadership of Dr Tom O'Toole on behalf of WIT agreed to support the conference and retained PhD researcher, Ms Leana Reinl to coordinate the conference organisation and logistics. Ms Anne Phelan in the president's office coordinated the interaction of Professor Kieran Byrne with the conference contributors and with the Marketing department.

The organisers wish to acknowledge the assistance received from colleagues and institutions in Newfoundland for participation and support during the design, organisation and enactment of the conference. These included Mr Pat Curran, Ms Margaret Donovan, Ms Diane Hooper, Ms Tonya Hussey, and Ms Christine Snow.

Further assistance was provided in Ireland through the Ireland Newfoundland Exchanges network involving Mr Liam Rellis, Mr Éamonn O'Murchú, and Mr Wally Kirwan.

Ms Tanya Ganly, Mr Richard Holland and Ms Elaine Kelly of the Department of An Taoiseach also gave input to the conference.

Ms Maria O'Reilly from the Canadian Embassy liaised with the organisers in arranging participation by the Embassy in the event.

Ms Olive O'Connor of the Marketing Department in Waterford Institute of Technology and Ms Judith Kieran of Carr Communications provided public relations services for the conference.

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## **Institutional Acknowledgements**

Canadian Embassy, Dublin

Carlow County Council

Centre for Enterprise Development and Regional Economy (CEDRE)

Centre for Newfoundland and Labrador Studies

Centre for Research in Innovation Knowledge and Organisational Networks (RIKON)

City of St John's

Department of An Taoiseach

Ireland Newfoundland Exchanges

Ireland Business Partnership

Irish Loop Development Board

Ireland Newfoundland Partnership

Kilkenny County Council

South East Regional Authority

South East Enterprise Platform Programme

Tipperary County Councils

Waterford Institute of Technology and the School of Business

Waterford City Council

Waterford County Council

Waterford Local Radio

Wexford County Council

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## Conference Participants, Facilitators, Chairs, and Organisers

Mr Eddie Breen, Wexford County Manager

Dr Senan Cooke, Dunhill Enterprise Centre & DCU

Mr Pat Curran, Chief Executive, Irish Loop Development Board

Dr Felicity Kelliher, Program Director, WIT Doctor of Business Administration program

Ms Louise Grubb Director, Nutri Science Ltd.

Cllr Debbie Hanlon, St John's City Council

Dr Denis Harrington, Head of Graduate Business, WIT

Mr Ger Kirwan, Director, Goatsbridge Trout Farm

Mr John Maher, Chair, Centre for Newfoundland & Labrador Studies, WIT

Dr Edgar Morgenroth, Associate Professor, ESRI

Dr Bill O'Gorman, Director of the Centre for Enterprise Development and Regional Economy, WIT

Dr Thomas O'Toole, Head of Business School, WIT.

Mr Lar Power, Economic Development Executive, Waterford City Council

Ms Leana Reinl, PhD Researcher in SMEs, WIT

Mr Con Traas, Director, The Apple Farm

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